

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS DEGEN TO INTERROGATORY OF
NASHUA PHOTO INC., DISTRICT PHOTO INC., MYSTIC COLOR LAB, AND
SEATTLE FILMWORKS, INC.
REDIRECTED FROM WITNESS CRUM
(NDMS/USPS-T28-14)

The United States Postal Service hereby provides the response of witness Degen to the following interrogatory of Nashua Photo Inc., District Photo Inc., Mystic Color Lab, and Seattle Filmworks, Inc.: NDMS/USPS-T28-14, filed on August 8, 1997, and redirected from witness Crum.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Eric P. Koetting

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August 22, 1997

**Response of United States Postal Service Witness Degen
to Interrogatories of Nashua Photo, Inc., District Photo Inc., Mystic Color
Lab, and Seattle Filmworks, Inc. (NDMS)
(Redirected from Witness Crum)**

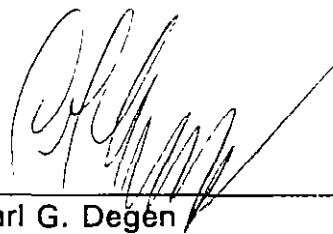
NDMS/USPS-T28-14. In LR-H-106, p. IV-4, in the row labeled "mods MAILGRAM" and under the column "4th Parc Zone R," there exists an entry "246." Please explain this entry.

NDMS/USPS-T28-14 Response.

This entry can be traced to the mail processing volume variable costs by shape, LR-H-146, page III-14. This apparent inconsistency is simply explained by the fact that someone who was clocked into a Mailgram-related MODS operation number was sampled while performing work that involved other classes of mail. In particular, this person was handling an item whose contents were not recorded by the data collector. The distribution key formation algorithm distributed the associated tally dollar value in proportion to the costs by activity code for items of the same type for which the contents were recorded. In this case, the resulting distribution was to Fourth-Class Zone Rate activity codes. Please see my testimony, USPS-T-12, at 9, and LR-H-146, Part II, for a detailed description of the process by which the mail processing distribution keys are formed.

DECLARATION

I, Carl G. Degen, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

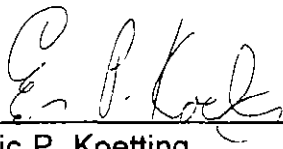


Carl G. Degen

Date: 8-22-97

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Eric P. Koetting

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